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12 CHRISTOPHER JOEY MCFARLAND

13 UNITED STATES DISTRICT COURT
14 FOR THE CENTRAL DISTRICT OF CALIFORNIA

15 UNITED STATES OF AMERICA,
16 Plaintiff,
17 v.
18 UP TO \$28,174,145.52 IN
HUNTINGTON NATIONAL BANK ESCROW
19 ACCOUNT NUMBER '7196, ET AL.,
20 Defendants.

21 Christopher Joey McFarland
22 Claimant.
23

No. 2:19-CV-01327-DSF (PLAx)

**JOINT STIPULATION AND REQUEST TO
ENTER CONSENT JUDGMENT OF
FORFEITURE RELATED TO CLAIMS OF
CHRISTOPHER JOEY MCFARLAND**

[The [PROPOSED] Consent Judgment
Lodged Contemporaneously Herewith
Is Not Dispositive of This Action]

24 **I. INTRODUCTION**

25 By the signatures of their counsel hereunder, Plaintiff United
26 States of America ("United States" or "the government") and
27 Christopher Joey McFarland (the "Claimant") (collectively the
28

1 "Parties"), respectfully request that the Court enter the [Proposed]
2 Consent Judgment of Forfeiture (McFarland) lodged contemporaneously
3 herewith, to carry into effect the terms of this stipulation, which
4 is not dispositive of this action.

5 6 **II. PROCEDURAL HISTORY**

7 This action was commenced on February 22, 2019 against the
8 defendants (a) \$28,174,145.52 in Huntington National Bank Escrow
9 Account Number '7196; (b) \$1,148,739.35 in Barclays Bank of Delaware
10 Account Number '6111; and (c) \$162,486.88 in Fidelity Investments,
11 Inc. Account Number '9340. The government gave notice of the action
12 as required by the Rule G of the Supplemental Rules for Admiralty and
13 Maritime Claims and Asset Forfeiture Actions, and the Local Rules of
14 this Court.

15 Claimant Christopher Joey McFarland ("McFarland") filed a timely
16 claim asserting an interest in (a) \$14,087,072.76 of the
17 \$28,174,145.52 in Huntington National Bank Escrow Account Number
18 '7196; (b) \$1,148,739.35 in Barclays Bank of Delaware Account Number
19 '6111; and (c) \$162,486.88 in Fidelity Investments, Inc. Account
20 Number '9340 (collectively, the "Defendant Funds"). A claim for the
21 remaining \$14,087,072.76 of the funds in Huntington National Bank
22 Escrow Account Number '7196 was timely filed by a separate claimant.
23 No other claims were filed, and the time for filing claims has
24 expired. Entry of the [Proposed] Consent Judgment (McFarland) will
25 resolve all claims of Claimant with respect to the Defendant Funds,
26 but will not be case-dispositive due to the presence of the other
27 claimant, who is not party to this stipulation, and who is contesting
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1 the forfeiture of the remaining \$14,087,072.76 of the funds in
2 Huntington National Bank Escrow Account Number '7196.

4 **III. JURISDICTION, BACKGROUND, AND TERMS**

5 **A. Jurisdiction**

6 The Parties agree that this Court has jurisdiction over the
7 Parties for purposes of this Stipulation, and over the subject matter
8 of this action for all purposes. The Parties further agree that the
9 allegations set out in the operative complaint are sufficient to
10 establish a basis for forfeiture of the Defendant Funds. However,
11 nothing contained in this joint stipulation or the [Proposed] Consent
12 Judgment (McFarland) is intended or should be interpreted as an
13 admission of fault, guilt, liability and/or any form of wrongdoing by
14 Claimant.

15 **B. Background**

16 Claimant contends the following:

- 17 a) In June 2013, Claimant received a loan (the "Loan Funds")
18 from Red Granite Investment Holdings, LLC ("RGIH"), a
19 Delaware entity wholly owned by Riza Shahriz Bin Abdul Aziz
20 ("Aziz"), for Claimant's investment in a facilities
21 management company (the "Facilities Management Company")
22 headquartered in Newport, Kentucky (the "Investment Loan").
23 The Investment Loan totaled \$1,995,000.
- 24 b) At the time Claimant received the Investment Loan from RGIH,
25 Claimant had no knowledge that the Loan Funds he was
26 receiving were directly or indirectly traceable to funds
27
28

1 diverted from 1Malaysia Development Berhad ("1MDB").¹

2 c) From the allegations set forth in the instant action,
3 Claimant learned that the government has alleged that the
4 Loan Funds Claimant used to invest in the Facilities
5 Management Company were derived from funds traceable to funds
6 diverted from 1MDB. In light of this information, Claimant
7 seeks to relinquish any and all right, title and interest he
8 has in the Defendant Funds so that they may be forfeited by
9 the United States and, if appropriate, returned to the People
10 of Malaysia.

11 d) The Defendant Funds are comprised of not only the amount of
12 the Investment Loan, \$1,995,000, but also the appreciation
13 Claimant realized on his investment in the Facilities
14 Management Company. The appreciation on the Claimant's
15 investment in the Facilities Management Company totals
16 \$13,403,298.99. Claimant relinquishes any and all right,
17 title and interest in the entirety of the Defendant Funds,
18 the value of the Investment Loan (\$1,995,000.00) and the
19 appreciation Claimant received on the investment
20 (\$13,403,298.99).

21 **C. Terms**

22 Claimant shall forfeit to the United States any right, title or
23 interest in the Defendant Funds, and no other right, title or
24 interest shall exist therein. The government shall dispose of the
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26 ¹ 1MDB is a strategic investment and development company wholly-
27 owned by the government of Malaysia. As alleged in the Complaint in
28 this matter, from approximately 2009 through at least 2014, billions
of dollars were misappropriated and diverted from 1MDB to the
detriment of Malaysia's economic benefit and its people.

1 Defendant Funds according to law. Claimant requests that the
2 forfeited Defendant Funds be returned, if appropriate, to the People
3 of Malaysia.

4 Claimant shall not contest or assist any other individual or
5 entity in contesting the forfeiture -- administrative, civil judicial
6 or criminal judicial -- of the Defendant Funds.

7 Claimant releases the United States of America, its agencies,
8 agents, and officers, including employees and agents of the Federal
9 Bureau of Investigation and Internal Revenue Service, from any and
10 all claims, actions or liabilities arising out of or related to the
11 seizure and retention of the Defendant Funds and the commencement of
12 this action, including any claim for attorneys' fees or costs which
13 may be asserted on behalf of Claimant against the United States,
14 whether pursuant to 28 U.S.C. § 2465 or otherwise. Claimant waives
15 any rights he may have to seek remission or mitigation of the
16 forfeiture of the Defendant Funds in this action.

17 The Parties further stipulate and agree, based on facts Claimant
18 first learned from the instant forfeiture action, there was
19 reasonable cause for the seizure of the Defendant Funds and the
20 institution of this action. The [Proposed] Consent Judgment
21 (McFarland) shall be construed as a certificate of reasonable cause
22 pursuant to 28 U.S.C. § 2456.

23 The Parties further stipulate and agree that the Court's entry
24 of the [Proposed] Consent Judgment (McFarland) shall constitute final
25 and complete satisfaction of all claims asserted by the government
26 and Claimant as relates to this action with respect to the Defendant
27 Funds. Each of the Parties shall bear its own fees and costs in
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1 connection with the seizure, retention and forfeiture of the
2 Defendant Funds.

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4 **IV. OTHER ITEMS**

5 Claimant has voluntarily advised the government that he received
6 the following items as gifts (the "Subject Properties," as listed
7 below) from some of the individuals identified in the instant
8 Complaint, namely Aziz, Low Taek Jho ("Low"), and "Eric" Tan Kim
9 Loong ("Tan"):

- 10 a) One drawing entitled "Self-Portrait" by Jean-
11 Michel Basquiat;
12 b) One artwork entitled "Bliss Bucket" by Ed Ruscha;
13 c) Sixteen assorted movie posters purchased from
14 Cinema Archives;
15 d) One 1931 "M" - German Theatrical Release poster;
16 e) One 1933 French King Kong - French One Panel
17 poster;
18 f) One 1956 Forbidden Planet - US Theatrical Release
19 poster;
20 g) One 1967 Cool Hand Luke poster;
21 h) One Panerai watch;
22 i) One vintage/used stainless steel Rolex watch;
23 j) One Rolex (Style 116509) watch; and
24 k) One Audemar Piguet watch
25 (collectively, the "Subject Properties").

26 Claimant represents that, at the time he received each
27 of the Subject Properties from Aziz, Low, and/or Tan, he
28 was unaware of the fact that each of the Subject Properties

1 may have been purchased with funds diverted from 1MDB.
2 Claimant voluntarily surrenders the Subject Properties to
3 the United States, relinquishes any and all right, title,
4 and interest he may have in the Subject Properties, and
5 agrees and consents to their forfeiture so that they may be
6 returned, if appropriate, to the People of Malaysia.
7 Claimant will not file any claim to the Subject Properties
8 and agrees not to help any other individual or entity file
9 a claim to the Subject Properties. Claimant further
10 represents that, to the best of his knowledge, each of the
11 Subject Properties was given to him as a gift and no other
12 persons or entities may assert any right or interest in any
13 of the Subject Properties.
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15 Dated: July 15, 2019

16 /s/ Daniel Crump

17 SHARON COHEN LEVIN, Pro Hac Vice
18 DANIEL CRUMP
19 Wilmer Cutler Pickering Hale and
20 Dorr LLP

21 Attorneys for Claimant
22 Christopher Joey McFarland
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1 Dated: July 15, 2019

Respectfully submitted,

2 DEBORAH CONNOR
Chief, MLARS

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4 NICOLA T. HANNA
United States Attorney

5
6 /s/ [by e-mail confirmation]
JOHN J. KUCERA
7 MICHAEL SEW HOY
Assistant United States Attorneys

8
9 WOO S. LEE
Deputy Chief, MLARS
10 BARBARA LEVY
JOSHUA SOHN
Trial Attorneys, MLARS
11
12 Attorneys for Plaintiff
UNITED STATES OF AMERICA
13

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15 **ATTESTATION**

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17 I, Daniel Crump, attest that all other signatures listed, and on
18 whose behalf the filing is submitted, concur in the filing's contents
19 and have authorized the filing.

20 /s/ Daniel Crump
21 DANIEL CRUMP